

SAM – PROGRAM BUDGET COST ACCUMULATIONS

ALLOCATION OF SALARIES AND WAGES COSTS

FOR THE FISCAL YEAR ENDING JUNE 30, _____ ^{1/}

	DIRECT HOURS	PROGRAMS					SALARIES & WAGES COST ^{2/}	PROGRAMS					ADMIN- ISTRATION
		A	B	C	D	E		A	B	C	D	E	
UNITS													
1	65,000	20,000 30.8%	15,000 23.1%	10,000 15.3%		20,000 30.8%	\$400,000	123,200	92,400	61,200		123,200	
2					X ^{3/}		630,000				630,000		
3	125,000	40,000 32%	50,000 40%	35,000 28%			750,000	240,000	300,000	210,000			
4	80,000				40,000 50%	40,000 50%	540,000				270,000	270,000	
5 & 7 ^{4/}	150,000	10,000 6.7%		100,000 66.6%		40,000 26.7%	960,000	64,320		639,360		256,320	
6	90,000		30,000 33.3%		60,000 66.7%		650,000		216,450		433,550		
ADMINISTRATION							300,000						300,000
							\$4,230,000	427,520	608,850	910,560	1,222,550	649,520	300,000
PERCENTAGE OF TOTAL SALARIES AND WAGES COSTS								10.1%	14.4%	21.5%	31.5%	15.4%	7.1%
PERCENTAGE OF TOTAL SALARIES AND WAGES WITHOUT ADMINISTRATION								10.9%	15.5%	23.2%	33.9%	16.5%	

Allocation Steps

- Determine the hours charged to each program.
- Determine the percentage of direct hours charged to each program to the hours charged to all programs.
- Use the percentages in b. above to allocate the unit's salaries and wages costs.
- After S & W costs of all operating line units are allocated, total the costs charged to each program and determine percentages of each program to total costs for all programs including administration.

1/ Allocation may be made as often as often as the agency desires, with a minimum of once a year at year-end.

2/ Salaries and wages costs is the actual amount paid for Salaries and Wages and staff benefits.

3/ Unit 2 personnel does not keep time sheets since all of their time is spent on one program.

4/ Units 5 and 7 are combined because their salary mix is the same.

SAM – PROGRAM BUDGET COST ACCUMULATIONS

Allocation of Operating Expense and Equipment Costs (Revised 8/94)

For the Fiscal Year Ending June 30, _____

	TOTAL EXPENDITURES	PROGRAMS					ADMINISTRATION
		A	B	C	D	E	
Freight	\$ 5,000	\$	\$	\$	\$ 5,000	\$	\$
Consulting Services	25,000		25,000				
Rent	200,000	20,000	35,000	40,000	53,000	45,000	7,000
Travel-in-State	120,000	15,480 (12.9%)	21,960 (18.3%)		48,240 (40.2%)	23,520 (19.6%)	10,800 (9.0%)
Other Operating Expenses	700,000	70,000 (10.1%)	100,800 (14.4%)	150,500 (21.5%)	220,500 (31.5%)	107,800 (15.4%)	49,700 (7.1%)
Equipment	40,000			30,000		10,000	
	<u>\$1,090,000</u>	<u>\$106,180</u>	<u>\$182,760</u>	<u>\$220,500</u>	<u>\$326,740</u>	<u>\$186,320</u>	<u>\$67,500</u>

Allocation Steps

- a. Charge to programs those costs which can be identified directly to a program. (Freight, consulting services, and equipment.)
- b. Allocate expenses by their allocation bases:
 - 1) Rent is allocated on the basis of square feet.
 - 2) Travel-in -state is allocated on the basis of actual salaries and wages cost charged to those programs which require its personnel to travel.
 - 3) All other operating expenses which cannot be identified directly to a program or allocated more accurately utilizing another allocation basis, is allocated on the basis of salaries and wages costs charged to programs. The calculation of these percentages is reflected in SAM Section 9244 Illustration 1.

Note:

1. This example shows different allocation bases used to allocate different types of costs. Agencies will use a basis which will allocate each type of cost equitably.

Allocation of Service Unit Costs to Programs

	Total Costs	Programs				Administration
		A	B	C	D	E
Machine Hours	2,001	84	100	335	1,339	59
Allocation Percentages	(100%)	(4.2%)	(5.1%)	(16.7%)	(66.9%)	(2.9%)
Service Unit Costs	\$239,000	\$10,038	\$12,189	\$39,913	\$159,891	\$6,913
						\$10,038

Allocation of Administration Costs to Programs

	Total Costs	Programs				Administration
		A	B	C	D	E
Salaries and Wages	\$300,000					
Operating Expenses	67,500					
Service Unit Cost	10,038					
Total	\$377,538					
Allocation Percentages	(100%)	(10.9%)	(15.5%)	(23.2%)	(33.9%)	(16.5%)
Allocation	\$377,538	\$41,152	\$58,518	\$87,589	\$127,985	\$62,294

Reconciliation of Program Costs

	A	B	C	D	E	Total Costs
Salaries and Wages (9224 111us. 1)	\$427,520	\$608,850	\$ 910,560	\$1,333,650	\$649,520	\$3,930,000
Operating Expenses and Equipment (9224 111us. 2)	106,180	182,750	220,500	326,740	186,320	1,022,500
Service Unit Costs (9224 111us. 3)	10,038	12,189	39,913	159,891	6,931	228,962
Administration (9224 111us. 3)	41,152	58,518	87,589	127,985	62,294	377,538
Total Program(s) Costs	<u>\$584,890</u>	<u>\$862,317</u>	<u>\$1,258,562</u>	<u>\$1,948,166</u>	<u>\$905,065</u>	<u>\$5,559,000</u>
Total Per General Ledger Appropriation Expenditures Account						<u>\$5,559,000</u>